

Kern County Economic Forecast

Kern County is California's third largest county in land area (behind San Bernardino and Inyo counties). It covers more than 8,000 square miles and is larger than the States of Hawaii, Massachusetts, or New Jersey.

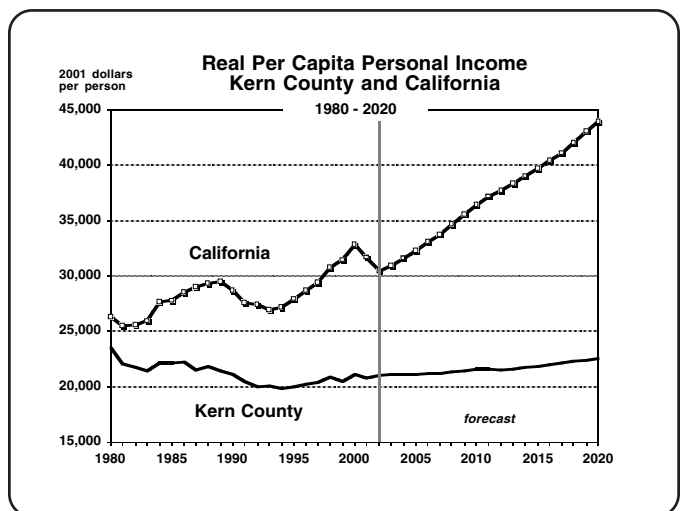
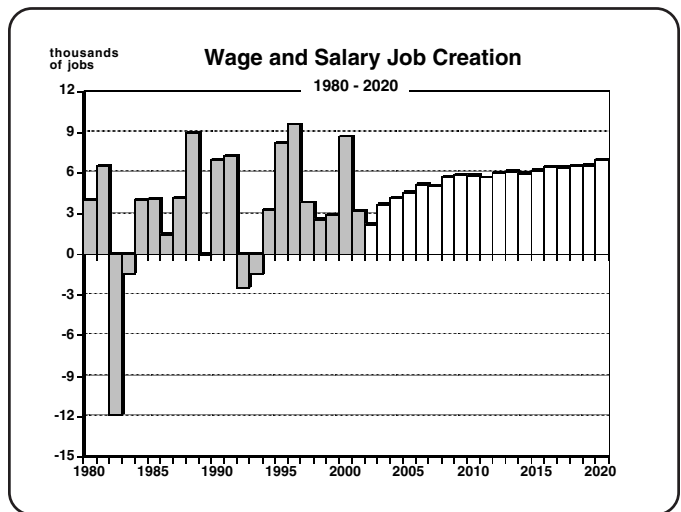
Like other central California Counties, the population of Kern has been growing rapidly since the 1990 Census. Bakersfield, the largest city in the County, increased its population by 41 percent. It now has 254,400 residents within the city limits.

Agriculture is the third largest employer in Kern County, representing 19.5 percent of the total employment. The agriculture industry appears to have reached a plateau in recent years. The annual total crop value, adjusted for inflation, has remained relatively constant since 1993. Farm employment declined by 2,700 workers in 2001, and is now about 4,000 workers off the all time record high reached in 1996. Agriculturally oriented counties tend to have greater seasonal variations in employment and higher unemployment rates. The unemployment rate for Kern County during 2001 was 10.3 percent, the lowest rate recorded in the County since 1989.

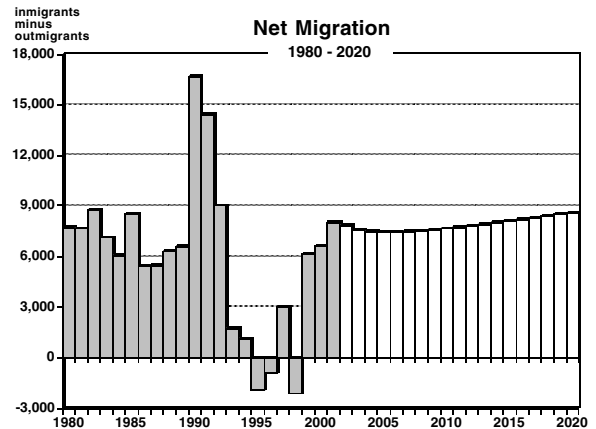
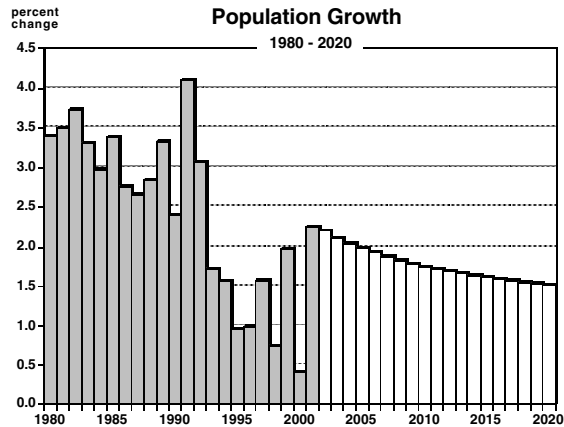
Although Kern County is best known for its oil and agriculture production, the local economy is becoming increasingly more diversified. Economic development efforts have successfully focused on call centers, light manufacturing, and value-added agriculture—i.e., food processing. Since the beginning of the latest economic expansion in 1995, Kern County has been the choice for key company re-locations due to accessible transportation routes, low labor costs, and especially affordable housing costs. The median home selling price of a home in Bakersfield in January 2002 was \$97,750. For all of California, the median selling price was \$285,860.

Forecast Highlights

- More housing is expected to be permitted and built in Kern County, because housing is affordable and net-migration is projected to increase. Additional production of housing will keep housing values contained. However, selling values of single family homes are still expected to rise, averaging 1.4 percent per year in inflation-adjusted dollars between 2002 and 2007. Between 1990 and 2000, median housing values actually declined an average of 2.9 percent per year.



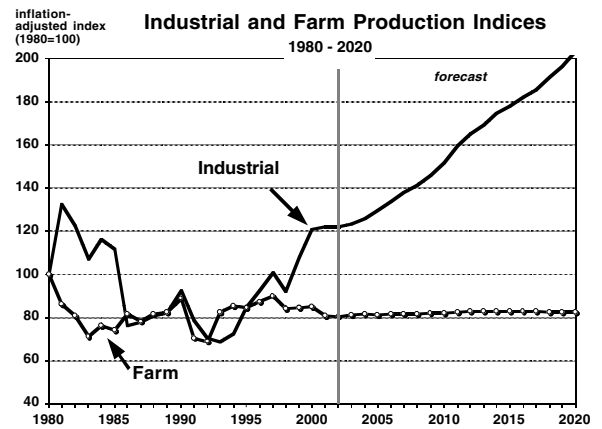
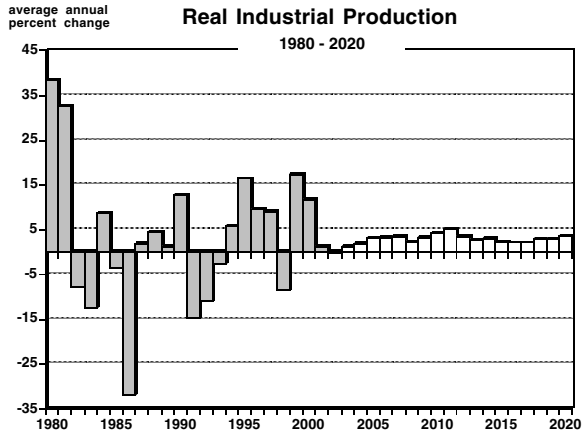
- Total wage and salary job growth is projected to average 1.8 percent per year between 2002 and 2007. This is a slowdown from the 2.4 percent average rate of growth recorded between 1995 and 2000. However, jobs in the non-farm sector increase at an average annual 2.5 percent clip over the next 5 years, slightly better than average non-farm job growth during the 1995-2000 period.
- Employment in the services sector increases 2.8 percent per year, and government jobs rise 3.5 percent per year, over the next 5 years. Other sectors contributing new jobs to the Kern County economy include durable and non-durable manufacturing, and retail trade.



Kern County Economic Forecast

1995-2001 History, 2002-2020 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (number)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	630,300	-1,880	473	200	3,304	\$3.3	\$11.0	\$19,976	\$1,981	\$5
1996	636,500	-924	480	203	2,812	\$3.4	\$11.4	\$20,180	\$2,088	\$5
1997	646,500	3,011	457	206	2,637	\$3.6	\$11.9	\$20,355	\$2,191	\$5
1998	651,300	-2,124	481	209	3,453	\$3.7	\$12.5	\$20,902	\$2,068	\$5
1999	664,100	6,139	492	212	3,157	\$4.0	\$12.8	\$20,541	\$2,129	\$6
2000	666,900	6,600	514	208	3,060	\$4.5	\$13.6	\$21,140	\$2,209	\$7
2001	681,900	8,011	531	211	3,628	\$4.8	\$14.2	\$20,806	\$2,177	\$7
2002	696,898	7,861	541	214	3,682	\$5.2	\$15.1	\$21,022	\$2,236	\$7
2003	711,596	7,601	541	218	3,607	\$5.5	\$15.9	\$21,153	\$2,317	\$7
2004	726,134	7,507	543	221	3,602	\$5.7	\$16.5	\$21,098	\$2,373	\$7
2005	740,543	7,476	547	224	3,729	\$6.0	\$17.3	\$21,112	\$2,428	\$7
2006	754,823	7,485	552	228	3,746	\$6.2	\$18.1	\$21,202	\$2,492	\$7
2007	768,974	7,509	558	231	3,782	\$6.5	\$18.9	\$21,234	\$2,544	\$7
2008	782,986	7,527	565	235	3,780	\$6.7	\$19.8	\$21,327	\$2,610	\$8
2009	796,942	7,590	573	238	3,782	\$7.0	\$20.7	\$21,421	\$2,678	\$8
2010	810,884	7,668	581	242	3,787	\$7.3	\$21.7	\$21,551	\$2,747	\$8
2011	824,812	7,750	589	246	3,813	\$7.5	\$22.6	\$21,581	\$2,822	\$9
2012	838,734	7,828	597	249	3,855	\$7.8	\$23.5	\$21,533	\$2,901	\$9
2013	852,669	7,919	605	253	3,894	\$8.0	\$24.6	\$21,563	\$2,982	\$9
2014	866,615	8,012	614	256	3,929	\$8.3	\$25.8	\$21,771	\$3,056	\$9
2015	880,576	8,105	623	260	3,971	\$8.6	\$26.9	\$21,843	\$3,129	\$10
2016	894,556	8,203	633	264	3,985	\$8.9	\$28.2	\$21,956	\$3,204	\$10
2017	908,578	8,302	643	267	3,977	\$9.3	\$29.5	\$22,091	\$3,282	\$10
2018	922,656	8,397	653	271	3,962	\$9.6	\$30.9	\$22,238	\$3,351	\$10
2019	936,806	8,490	664	275	3,971	\$9.9	\$32.4	\$22,408	\$3,423	\$11
2020	951,045	8,584	674	279	4,001	\$10.2	\$33.9	\$22,574	\$3,500	\$11



Total Wage & Salary (000)	Farm (000)	Construction (000)	Mining (000)	Manufacturing (000)	Transportation, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----									
215	42.1	8.5	10.9	9.6	9.0	41.3	5.9	40.3	47.3
224	49.6	8.2	10.5	9.8	9.2	42.2	6.3	41.3	47.3
228	49.0	8.8	10.4	9.6	9.9	42.6	6.6	43.0	48.2
231	46.5	9.9	9.1	9.9	11.0	42.8	7.2	45.6	48.8
234	44.9	10.0	8.2	9.7	11.2	44.5	7.3	47.5	50.3
242	48.3	10.9	9.0	10.5	11.3	44.4	7.3	49.1	51.6
246	45.6	12.1	9.1	12.0	11.2	44.7	7.3	50.1	53.6
248	43.1	12.5	8.9	12.2	11.2	45.9	7.3	51.5	55.3
251	41.7	12.9	8.8	12.3	11.3	47.1	7.3	53.0	57.1
256	40.6	13.2	8.7	12.3	11.3	48.3	7.4	54.6	59.2
260	39.8	13.4	8.7	12.5	11.4	49.5	7.4	56.1	61.3
265	39.3	13.6	8.7	12.8	11.6	50.7	7.5	57.7	63.5
270	38.8	13.8	8.7	12.9	11.7	51.9	7.5	59.2	65.7
276	38.6	14.0	8.7	13.2	11.8	53.1	7.6	61.1	68.0
282	38.5	14.1	8.7	13.3	12.0	54.2	7.6	63.0	70.3
288	38.5	14.2	8.7	13.4	12.2	55.3	7.6	65.0	72.6
293	38.6	14.3	8.7	13.6	12.4	56.4	7.7	66.7	74.9
299	38.7	14.4	8.8	13.7	12.6	57.4	7.7	68.8	77.2
305	38.9	14.5	8.8	13.9	12.8	58.3	7.8	71.0	79.5
311	39.0	14.5	8.8	14.0	13.1	59.2	7.8	73.1	81.8
317	39.1	14.6	8.8	14.1	13.3	60.1	7.9	75.5	84.0
324	39.2	14.7	8.9	14.2	13.6	60.9	7.9	78.2	86.3
330	39.1	14.8	8.9	14.3	13.9	61.8	7.9	80.8	88.6
337	39.0	14.8	8.9	14.5	14.2	62.7	8.0	83.7	91.0
343	38.8	14.9	8.9	14.6	14.5	63.5	8.0	86.7	93.3
350	38.7	15.0	8.9	14.8	14.8	64.3	8.1	90.0	95.7

